

ARTICLE APPEARED
ON PAGE A-2

THE PHILADELPHIA INQUIRER
16 July 1981

Ex-GI said to have sold secrets to the Soviets

By Matt Bokor
Associated Press

JACKSONVILLE, Fla. — A man said to have led a double life, serving as both a U.S. Army warrant officer and an honorary colonel in the Soviet army, was arrested yesterday on charges of selling top-secret coding information to the Soviet Union between January 1963 and July 1964.

Joseph George Helmich, 44, who now works as a tile installer, was ordered held in lieu of \$500,000 bond after U.S. Attorney Gary Betz told a federal magistrate that Helmich had attained the rank of colonel in the Soviet army.

Helmich's arrest was announced simultaneously in Jacksonville and in Washington by the Justice Department.

Helmich, identified as a native of Fort Lauderdale, Fla., was charged with four counts of espionage, including charges that he sold coding manuals and equipment to the Soviets for \$131,000. Conviction on each count carries a maximum penalty of life in prison.

At the U.S. District Court session, Betz argued for high bond, saying that money and escape plans were available to Helmich so that he could flee prosecution.

"This individual is an extreme risk to flee the charges alleged against him," Betz told U.S. Magistrate Howard T. Snyder, who set the bond. "Our investigation has determined that there were funds put away for his use outside the United States."

During the 35-minute court session, the prosecutor did not elaborate on Helmich's alleged ties with the Soviets, and he refused to do so afterward, except to say that "this defendant received certain honors, including the rank of colonel in the Soviet army."

Helmich, who moved to the Northeast Florida coast about a month ago

from Niagara Falls, N.Y., was charged late Tuesday in a four-count indictment and arrested yesterday morning at his parents' home, where he lives with his wife and child. He is to be arraigned today.

The indictment accused Helmich of selling the Soviets secret information, including parts and service manuals for U.S. military coding equipment known as the KL-7 Cryptosystem, which he operated while an Army warrant officer from 1954 to 1966.

Most of the deals allegedly took place while Helmich was based in Paris in the 1963 and 1964, the indictment charged, but it said that as late as August 1980, he received money from the Soviets "in consideration of his communicating, delivering and transmitting documents, instruments and information" to hide the conspiracy from U.S. authorities.

Also last year, the indictment alleged, Helmich planned and made trips "for the purpose of meeting with representatives, officers and agents" of the Soviet Union so that he could claim and receive payments held as a reward for past activities and information.

The indictment said that while Helmich worked in the Army Signal Corps in Paris in January 1963, he contacted Soviet agents at the Soviet Embassy there and delivered classified information that he had obtained while on duty as a warrant officer. He also "agreed to provide representatives and agents of the Union of Soviet Socialist Republics information in the event of anticipated hostilities," the indictment said.

"The damage by the delivery of this type of information could be very, very grave," Betz told the court. "It could have given them [the Soviets] the ability to make their own device and decode messages at a time when this country was involved in hostilities in Vietnam."